



SIXTH NATIONAL ASSEMBLY

PARLIAMENTARY

DEBATES

(HANSARD)

FIRST SESSION

THURSDAY 26 MAY 2016

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BILL (*Public*)

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Hon. Showkutally Soodhun, GCSK	Vice-Prime Minister, Minister of Housing and Lands
Hon. Ivan Leslie Collendavelloo, GCSK, SC	Vice-Prime Minister, Minister of Energy and Public Utilities
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Hon. Sodesh Satkam Callichurn	Minister of Labour, Industrial Relations, Employment and Training

PRINCIPAL OFFICERS AND OFFICIALS

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MAURITIUS

Sixth National Assembly

FIRST SESSION

Debate No. 09 of 2016

Sitting of 26 May 2016

The Assembly met in the Assembly House, Port Louis at 11.30 a.m.

The National Anthem was played

(Madam Speaker in the Chair)

ANNOUNCEMENT

MR KARIMULLA AKBAR KHAN – OFFICIAL VISIT

Madam Speaker: Hon. Members, I am pleased to announce the presence in our midst today of Mr Karimulla Akbar Khan, the Secretary General of the Commonwealth Parliamentary Association who is on an official visit to Mauritius.

On behalf of hon. Members and in my own personal name, I extend a warm welcome to Mr Akbar Khan and wish him a pleasant stay in Mauritius.

MOTION

SUSPENSION OF S.O. 10(2)

The Prime Minister: Madam Speaker, I beg to move that all the business on today's Order Paper be exempted from the provisions of paragraph (2) of Standing Order 10.

The Deputy Prime Minister rose and seconded.

Question put and agreed to.

PUBLIC BILL

Second Reading

THE NATIONAL WAGE CONSULTATIVE COUNCIL BILL

(No. VI of 2016)

Order read for resuming adjourned debate on the Second Reading of the National Wage Consultative Council Bill (No. VI of 2016).

Madam Speaker: Hon. Mrs Perraud!

(11.34 a.m.)

The Minister of Gender Equality, Child Development and Family Welfare (Mrs A. Perraud): Madam Speaker, let me, first of all, congratulate my colleague, hon. Callichurn, Minister of Labour, Industrial Relations, Employment and Training for having brought this very important piece of legislation. This was a promise of 'Alliance Lepep' and today it is yet another promise delivered.

It is an undeniable fact that there have been many promises in the past and various attempts to come up with a mechanism for fixing a minimum wage, but for

one reason or another, these attempts were not fruitful. Once again, our Government is making history.

Madam Speaker, I do not intend to elaborate on the technicalities of the Bill. I leave it in the able hands of my colleagues on both sides of the House who have the required expertise to discuss the matter. Rather, I would like to address the House on the general context and the pertinence of this Bill in the whole economic landscape. It is a well-known fact that the main source of revenue of the majority of Mauritian workers is their salaries. The level of their salary determines their standard of living. Experts argue that a country must handle wages properly otherwise it cannot have rapid and sustained economic development. If there is wage mismanagement, this can end up in joblessness, unemployment and poverty and may also contribute to extreme unequal distribution of income. These are what we fear the most as a caring Government. We have always and will always put people first.

Madam Speaker, looking at the Bill itself, we find some very important characteristics or milestones which we may take for granted, namely –

- (i) It is a tripartite collective bargaining mechanism despite the fact that there is already in place a mechanism for tripartite collective bargaining which meets once a year to determine wage compensation. The creation of a National Wage Consultative Council now creates a formal mechanism for tripartite bargaining. By providing an arena for all three parties, that is, the Government, the private sector and the trade unions to voice their divergent interest and arrive at a consensual view, is, in itself, no mean achievement. Not only the National Wage Consultative Council will engender tripartism, but may also be the forerunner to other forms of tripartism in the future.
- (ii) Tripartism is now being given a formal structure.
As I pointed out, tripartite mechanism does exist in Mauritius, but it is in a more informal way. With the new legislation, it is being given a solid structure, a Secretariat of its own and a Director General. This will allow the National Wage Consultative Council to be an important actor in the economic landscape, but, at the same time, to operate throughout the year.
- (iii) Consensual and decision making.

I quote from the Bill –

“The Board shall regulate its meetings and proceedings in such manner as it may determine.”

I presume that the approach to be adopted will be a consensual one rather than a confrontational one. This, by itself, will contribute to a stable and peaceful industrial relations’ environment.

(iv) Annual auditing of the economy.

I note that one of the main objects of the Bill is to make recommendations in respect to the payment of additional remuneration to offset any increase in the cost of living every year with a view to improving the living conditions of workers.

Madam Speaker, this is a very important object of the National Wage Consultative Council which should not go unnoticed. Since we already have a tripartite meeting each year, we may just say that this is only the formalisation of the above. I beg to differ, Madam Speaker. For me this object will provide the opportunity to have a tripartite auditing of the economy on a yearly basis.

All three parties would be involved in a detailed analysis of the economy and thereafter make recommendations to the Minister and by extension to the central Government on the salary compensation that is payable. This is a scientific, transparent and democratic process. It will have an immense value in the eyes of the population and the workers for research and planning purposes as well and will contribute to prevent a deterioration of industrial relations. I hope all the parties concerned, particularly the unions can capture the importance of this object.

Having said so, Madam Speaker, I now turn to another important aspect which is of direct concern to me as Minister of Gender Equality, Child Development and Family Welfare. I sincerely believe that the introduction of a national minimum wage in the private and public sectors will contribute to a large extent to improve family welfare and this is why I welcome and appreciate this measure.

My Ministry is engaged in a vast program of promoting and improving the welfare of the family. However, there are many variables which are outside our control. One of them is the element of wages. Through the introduction of a minimum wage, one of those variables will be addressed in a rational and structured manner.

In addition, we are all aware that Mauritius is facing the problem of aging population, coupled with the fact that there are fewer births. This is a serious problem and will have far-reaching implications in the future for the Mauritian economy, if not addressed urgently.

I would like to refer to a recent study conducted in Canada and published in the Canadian Journal of Economics in February 2013, where it was found that an increase in the minimum wage has had significant impact on birth rates. The study is based on adolescents, but its results could be transposed to young adults, and I quote –

« (...) une augmentation de 10% dans le niveau du salaire minimum est corrélée de manière significative à une croissance de 3 à 5% dans les grossesses adolescentes. Ce résultat est expliqué par des calculs additionnels qui montrent qu'une augmentation du salaire minimum est associée de manière significative à des gains plus élevés pour les jeunes hommes adolescents ; à un accroissement du taux de nuptialité, et un accroissement du taux de fécondité des couples adolescents mariés mais pas pour les adolescentes non-mariées. Enfin, des estimés fondés sur les Enquêtes sur la santé dans les collectivités canadiennes de 2003 et 2005 montrent que les adolescents et adolescentes mariés sont davantage susceptibles d'avoir des relations sexuelles, et des relations sexuelles non-protégées, que les adolescents et adolescentes non-mariés. »

Interestingly, when we look at the minimum wage concept, we may have a very restrictive perspective, but then, when viewed in the larger context, it has far-reaching outcomes.

Another element, which I want to address today, is the impact of the minimum wage on women. My Ministry is the national gender machinery and one of our main concerns is to promote gender equality. We are all aware that for labour economist, the law of one price still provides the central organising principle for the theoretical framework to understand wage determination. The principle states that in a competitive labour market, workers with similar skills and employed in similar jobs receive the same wage. It is this principle that underpins the bulk of empirical research on wages, with a variety of wage gaps identified as evidence of the degree to which labour markets are distorted from competitive outcomes.

It is also a well-known fact that it is women in general who suffer from the wage gaps. I have been voicing out, trade unionists have been voicing out that there are many instances where, despite the equal pay for equal work principle, women still suffer from an acute discrimination and are penalised. I sincerely believe that the establishment of the minimum wage principle will go a long way to correct this distortion and restore gender equality in the workplace in respect of payment of wages. A minimum wage, as we all know, is the lowest remuneration that employers may legally pay to workers.

The International Labour Office in Geneva and Switzerland reports that some 90% of countries around the world have legislation supporting a minimum wage. In January 2016, 22 out of the 28 EU Member States had a national minimum wage. This implies that there is international agreement on the importance of this instrument of labour market intervention.

Madam Speaker, this is the time to shed a new light on those who are exploited in their daily quest for a living. I would wish to bring to the attention of my colleagues, Members of the House, that in our constituencies out there, so many people call on us to help them out of exploitation. When facing the necessity of feeding a family, one has little choice than to accept the worst paid jobs.

Il va sans dire, Madame la présidente, que la population vulnérable a beaucoup d'espoir dans le gouvernement *Lepep*. Dès notre avenir au pouvoir, en décembre 2014, nous avons démontré que nous sommes un gouvernement avec un cœur. Les pensions ont été augmentées quelques jours seulement après la victoire du gouvernement *Lepep*. Ceux qui sont au bas de l'échelle sociale ont une attention particulière immédiate du gouvernement. Ce projet de loi est encore un exemple que le gouvernement a un grand cœur et veut donner une vie décente à ceux qui sont exploités par leurs employeurs.

Comme un gouvernement responsable, un gouvernement qui met l'homme au centre du développement, un gouvernement *Lepep*, nous faisons tout pour diminuer l'écart qui se creuse entre les riches et ceux qui se trouvent au bas de l'échelle sociale. Nous ne pouvons plus avoir dans notre société, d'un côté, des personnes qui ont un train de vie luxueux, qui achètent soit un vêtement ou lors d'un repas, dépensent la somme que touche un travailleur au bas de l'échelle. Oui, Madame la présidente,

malheureusement, il y a des employeurs qui exploitent et qui refusent de payer comme il le faut et de reconnaître la valeur de certains travailleurs.

Aujourd'hui, en 2016, c'est inacceptable qu'une bonne à tout faire touche R 3,000 pour tous les travaux ménagers: repassage, lavage, nettoyage et aussi faire la cuisine; qu'un mécanicien à plein temps touche Rs4,000, un serveur, une caissière qui font de longues heures mais qui ne touchent pas plus de R6,000 à R7,000. Ces gens au bas de l'échelle sont obligés de travailler et n'ont pas d'autre choix que d'accepter les salaires dérisoires. Et, ce projet de loi va nous permettre d'aider ces personnes, de les sortir de l'exploitation. En fait, le *National Wage Consultative Council Bill* va permettre à l'Etat de jouer son rôle pleinement. Le rôle de l'État est d'assurer que cette exploitation cesse.

Une mention spéciale pour le tourisme. Le salaire minimum va être très bénéfique à l'industrie touristique, plus particulièrement l'hôtellerie, afin de rehausser le niveau des salaires, car l'avenir de notre industrie touristique dépend beaucoup de la performance de ses employés, de leur satisfaction au travail, des conditions dans lesquelles ils évoluent. Il ne faut pas oublier que l'industrie touristique est un très gros pourvoyeur d'emplois. 42,000 emplois directs environ auxquels il faut ajouter encore les emplois indirects en sachant que chaque emploi direct crée deux emplois indirects supplémentaires. Ce qui nous fait un total d'environ 120 000. Même si les salaires sont restés bas pour certains postes, il y a aussi une grande possibilité de mobilité pour ceux qui sont au bas de l'échelle. Nombreux en effet sont ces chefs de départements du secteur hôtelier qui ont débuté comme simples serveurs, femmes de chambre, commis de cuisine.

Le Premier ministre adjoint et ministre du tourisme, l'honorable Xavier-Luc Duval, l'a très bien compris et, dès son entrée en fonction, il a œuvré pour revaloriser le travailleur Mauricien. C'est ainsi que les *Remuneration Orders* qui tardaient à être appliqués ont finalement été implémentés en 2015. De plus, il y a désormais des restrictions sur l'emploi d'étrangers limités à certaines catégories spécifiques comme chefs, *e-marketing* et quelques autres de façon à permettre une meilleure ascension aux éléments locaux les plus valables.

Pour toutes ces raisons énumérées plus tôt, Madame la présidente, ne serait-ce que pour éliminer l'exploitation de ceux qui sont au bas de l'échelle, nous devons tous

voter pour ce projet de loi. Mais, Madame la présidente, je ne pourrais me rasseoir et conclure mon discours sans présenter mes félicitations les plus sincères à l'honorable Pravind Jugnauth qui vient d'être nommé ministre des Finances et du développement économique.

(Interruptions)

Merci pour votre attention.

Madam Speaker: Hon. Leader of the Opposition!

(11.51 a.m.)

The Leader of the Opposition (Mr P. Bérenger): Madam Speaker, I would wish to start by saying that I listened very carefully to three, from my point of view, very good speeches that were made last Tuesday: one by my colleague, hon. Reza Uteem, the second by hon. Alan Ganoo and the third by the Minister of Business, Enterprise and Cooperatives, hon. Bholah. I hope that Government has listened carefully, that the Minister and the Rt. hon. Prime Minister have listened carefully to the numerous proposals that have been made. I shall be making amendment proposals myself later on and I agree with most of what was said not only by hon. Reza Uteem, there I agree totally, but what was said also by hon. Alan Ganoo. I do hope that the Minister and Government, the Rt. hon. Prime Minister, have listened carefully and I hope there will be further amendments later on. As I said, I shall myself propose - suggest rather - a number of amendments. But, before that, I shall be *très critique* concerning the way the whole issue has been handled by the Minister and by Government.

The first point is that I consider that the whole thing was mishandled right from the beginning. Why do I say that? The first version of the Bill, the First Reading of the Bill was moved without proper consultations with the result that there was a *tollé* that all the trade unions reacted negatively and said bluntly that they would not sit on the Board of the National Wage Consultative Council. All of them! Well, it is a good thing that the Minister, Government took note and that a number of amendments have been brought to the Bill. This could and should have been avoided. If there had been proper consultations before the First Reading of the Bill, before the Bill was circulated in its final form, the mode would have been different. Better late than

never! But, I consider that the amendments that have been proposed are not sufficient and I will say why later on.

Half of the Bill has gone! And this is where I agree fully with hon. Alan Ganoo. The title itself is now a misnomer. The title of the Bill was and is the National Wage Consultative Council. It is no longer a National Wage Consultative Council because half of the Bill has gone, that is, *la compensation salariale annuelle* and this is what most irritated the trade unions. Without debate the long tradition, the whole tradition - good or bad, it is a whole debate - in Mauritius of annual tripartite discussions *sur la compensation salariale* was done away without explanation and so on. Well, at least, this has been removed. But the title should have been changed as well because *la compensation salariale* – we will see what happens to it further on – is not done away with, in the way it would have been done away with, in the first version of the Bill. So, that is a fundamental amendment through which half of the Bill has gone, but the title has mistakenly remained.

The real point, Madam Speaker, has been said many times before me, but I have to repeat it. The main point is what was promised by the present Government before, during and after elections and what is before us now, what is being proposed now. What was promised, we all know, *un minimum vital*, I quote –

« *l'introduction d'un salaire minimum pour les travailleurs au bas de l'échelle* »

Was one of the key; *les 12 priorités des trois premiers mois au gouvernement*. Widely canvassed, a firm promise. *Dans les premiers trois mois un salaire minimum pour les travailleurs au bas de l'échelle* would be implemented. One supposes that before the electoral alliance that developed into the present Government had done its homework, was ready with concrete proposals because it said within the three first months of Government, we will set up a minimum wage for the lowest paid. Instead of that, as we know, we are now 15 – I will have to check with Minister Koonjoo – but we are now 15 months later, not three months later. And now what is being proposed? Because I have been listening to the last orator, it is as if we are setting up the *minimum vital*. We are not! What is being proposed is a body that will work on a minimum vital and that will make recommendations to the Minister!

(Interruptions)

Madam Speaker: Please. Please, hon. Deputy Prime Minister...

Mr Bérenger: We know that!

Madam Speaker: No crosstalking!

(Interruptions)

Mr Bérenger: Well...

(Interruptions)

Madam Speaker: Yes, hon. Vice-Prime Minister, please don't interrupt!

Mr Bérenger: What has been spelt out is, I quote from their manifesto -

« (...) *un salaire minimum pour les travailleurs au bas de l'échelle* »

Exactly !

(Interruptions)

Un salaire minimum, yes, of course, we know that! But that is not what we are proposing here! Again, it is not. We are purely setting up a body that will work on *salaire minimum, minimum vital*, name it! We are setting up a body that, and I quote, maybe the Ministers have not read carefully. At paragraph 6 of the Bill it is said that the Council –

“within 12 months of the date of its constitution, recommend a national minimum wage (...)”

Exactly!

(Interruptions)

That ‘may’...

(Interruptions)

My point is - you are not following me!

“that may”

The wording is important –

“(...) that may be introduced for the lowest paid workers in relation to the median wage.”

Not 'shall', that 'may' be introduced.

And that underlines my point that the Council only makes recommendations to the Minister and recommendations that are guided by that kind of language.

So, let us be clear, because I listened to all the orators and most of them were talking as if we are introducing a *minimum vital* through wages. My point is that we are not doing that. We are merely setting up a body that will work on the minimum wage and which will make recommendations to the Minister. Government may go along with what the Council will propose. This is a fundamental point. We should not give the impression that we are introducing a *minimum vital* through a minimum wage. We are merely setting up a body that will work on that. That is all we are doing. This should be clear.

As I said, after the setting up of the Council, the idea is, within a year, to make recommendations on a minimum wage. They may make a recommendation. After they may make a recommendation, the Minister and Government may reject the recommendation. So, there is plenty of time to see how all this develops, Madam Speaker.

There is one thing which has disturbed me. I must say that I have not seen the reaction from the unions. That is the problem when you bring amendments. The first amendment was to do away with the *compensation salariale annuelle*. The second amendment is a fundamental change in clause 5. In fact, clause 5 is replaced by a new clause 5. Clause 5 is a fundamental clause, that is, Objects of the Council. There has been a fundamental change, and I have not seen the reaction from the trade unions. Possibly, they have not had time to consider what has cropped through amendments and not in the original Bill.

Of course, we are all in favour of the lowest paid benefitting from higher sustainable increases. We are all for that. What concerns me is the body that is being proposed to make recommendation. It is a huge body of 29 members. It is huge. So, we have to ask ourselves: is it meant to set up a debating council or something that will work with representatives appointed by the trade unions, the employers or by academia, as provided for? Is it supposed to be, therefore, a debating forum or is it supposed to be something that will work, that will perform, that will carry out studies and come with proposals?

When you have, as I said, 29 members of the Council, it will be very difficult for them to perform, to come with concrete proposals. We will see. When you have this kind of body set up, let us take, for example, the representatives of Ministries. You have representatives from the Prime Minister's Office, representatives from the Ministry of Labour, representatives from the Ministries responsible for the subject of agriculture, business, industry, tourism. If you have a body of 29 members, I suppose you have a list of Ministries that are going to be represented on this Council. What about two vital sectors like the ICT, with very specific problems, like the Financial Services, which is in a very difficult situation? They are not represented. I am not saying that all the Ministries should be represented, but I am saying that when you set up a body of 29 members, you should be careful about who is excluded.

I put myself also the question. The wording is '7 members representing organisations of employers (...)'. But, if they do represent - if the word used is that - therefore, they will come and stick to the proposals that come through their organisations. I put myself the question whether the wording should not be 'appointed by, chosen by' the organisations of employers, organisations of employees, that is, trade unions in the second case. But they do not really represent on this Council. They should be chosen by the associations. Never mind, I will not insist on that. At least, we get the meaning: seven members representing employers and seven members representing trade unions. But where I think there is a little fine tuning to be done is the singular and plural. If I can refer to the Board composition, it says –

“7 members representing organisations of employers, to be appointed by the Minister after consultation with the most representative organisations...”

'organisations' in the plural

“of employers;”

And so it should be. I suppose it is a mistake, but it should be corrected. Whereas in the case of trade unions, the original proposal, which has not really changed, is –

“7 members representing trade union ...”

'trade union' is in the singular. Why?

“of workers, to be appointed by the Minister after consultation with the most representative trade union of workers;”

It does not even make sense! Again, it should be in the plural. It should be –

“(...) after consultation with the most representative trade unions of workers;”

It means something, and it should be corrected. In the new version, there is no progress. In the case of employers, it is okay, it is in the plural, and it remains like that after amendments. But in the case of the amendment that is being brought to clause 10, it reads –

“4 members of any worker’s (...)”

Again, it is wrong. But it is the same wrong expression that we found in the original proposal. I suppose it is a mistake, but we better correct that mistake and put the ‘s’ in the right place in the case of the amendment that is being circulated, whereas the first version was totally misguided.

This is why I listened very carefully to Minister Bholah. The Small and Medium Enterprises have specific problems and will be directly impacted upon by the fixing of minimum wages. Therefore, I think it is not too late to send a signal to *les petites et moyennes entreprises*. As we know, in the Budget of the then Minister of Finance, likely more than a year ago, everything was promised to *les petites et moyennes entreprises*. Now, the Minister responsible for Small and Medium Enterprises is himself not satisfied with the way MauBank is performing.

Rightly so! But we know what was promised to the *Petites et Moyennes Entreprises*: Rs10 billion over five years. Rs2 billion first year and a bank dedicated - a Small and Medium Enterprise Bank - which would be a real One-Stop Shop. Whereas now you have MyBiz, you go there, do all the procedures and so on and when you have finished doing all the procedures, you get a letter from them, then you go to MauBank and knock at the door for money. It is not even a One-Stop Shop anymore. So, the Small and Medium Enterprises have, so far, been taken for a ride by the Government. Therefore, I believe, it is not too late when we get to the composition of the Board, 7 members representing organisations of employers. I think it should be spelt out that amongst them must be, at least, one representative of Small and Medium Enterprises. It would send a signal and it would ensure that those who are going to be impacted upon the most, as far as the employers are concerned. Of course, it gets

difficult when you leave Small and Medium Enterprises and you get close to self-employed people. The frontier is not always that clear.

So, I think that is an amendment; it shouldn't raise any problem, but it sends a signal and it ensures that Small and Medium Enterprises will be heard through. The employees' organisations first and then the council will hear the special concern of the *Petites et Moyennes Entreprises*. I agree with hon. Ganoo that the reactions of the trade unions when it is spelt out that clearly that the members representing the trade unions are appointed by the Minister after consultation. Well, I hope the hon. Minister, when he holds consultations, does not have the same interpretation of consultations that the Rt. hon. Prime Minister has for his part, but I agree that, fundamentally, it should be before the Minister, after consultations, disagrees with who is recommended there.

It should be for serious reasons. But why in the case of 7 members representing organisation of employers, appointed by the Minister after consultation with the most representative organisations of employers? In the case of trade unions, 7 members representing trade unions – I hope the 's' will be imported in the Bill - of workers to be appointed by the Minister, after consultation with the most representative trade unions of workers. Why in the case – because we are talking consultations. Why in the case of the Chairperson, who, if anything is going to be key person? But why there is no mention of the Minister consulting both the employees and the employers and the trade unions, as is the case later on? I think the same spirit of consultation, of listening to what the trade unions on one side and the employers on the other have to say.

The key point finally, and I will end on that, is, whether the trade unions will agree to sit on that council? Under *la première version, la première mouture*, all of them said: 'we are not going to be present. We are not going to sit on that council.' And, therefore, it was *mort-né*. If all the trade unions say 'we won't sit', well, all that we have heard of tripartism and so on, *c'est mort-né!* Therefore, I hope that the hon. Minister will tell us what the trade unions have told him. If no one is prepared to sit on that council, as amended, *c'est mort-né* and when it is *mort-né*, forget about *salaire minimum, minimum vital*. Forget about it! So, I will be listening carefully and I think further amendments should be brought. I don't know if at this late stage Government intends coming by itself with further amendments. I saw a *mouvement*, the Minister

coming and going with legal advisors and so on. It seems there will be further amendments. Hon. Ganoo, hon. Uteem and I, we have made quite a number of precise suggestions and will venture to say that most of the amendments that we have proposed are not *polémiques*. Should not! Especially as the composition of the Board is a tough one because there would really need to be a last thorough discussion on the number of people sitting on that Board, on its purpose for it to deliver *le minimum vital à travers un salaire minimum*.

So, I hope, as I have said, that Government has listened. It is not too late. I think further amendments should be brought and this is why I would suggest, why not today, the Rt. hon. Prime Minister is going to speak, why not postpone for two weeks the Committee Stage and for final consultations to take place between the Minister, the trade unions on the one end and the employees/employers on the other, but it is especially on the trade union side that there is need for further amendments so that the trade unions do agree, if they obtain satisfaction. They have obtained satisfaction *on la compensation salariale*, there is no reason why they should not obtain further amendments that would make them change their stand as at today and sit on that council.

Therefore, my appeal is, let us say, we are having the last speeches, but before I would suggest that we allow for some two weeks before the hon. Minister sums up and we reach Committee Stage.

Thank you.

(12.18 p.m.)

The Prime Minister: Madam Speaker, allow me to state in unequivocal terms, my personal support to the National Wage Consultative Council Bill.

It is, indeed, a historical day for workers of our country. Historical, as it is the culmination of the struggle of the working class to improve their lot.

It is also a day of remembrance. It is worth recalling those heroes who have unflinchingly given their blood, sweat and tears to the struggle and emancipation of the working class.

The road was long, the hurdles were numerous, but the goals were clear. Today, Mauritius stands proudly in the League of Nations, as a free country imbued in the best democratic traditions, thanks to the heroes of the struggle.

Madam Speaker, for the record, let me quote two relevant paragraphs of the Government Programme 2015-2019.

Paragraphs 10 and 17 read as follows –

“10. Government is committed to warding off unemployment, introducing a minimum wage policy and implementing a better social housing policy.”

So, it is clear we are speaking of a minimum wage; we are not speaking of a *minimum vital*. There is a big difference between the two.

“17. A minimum wage bill will be introduced for the workers at the lower end of the ladder.”

It must be very precise that it is meant for the lower end of the ladder.

Thus, the Bill before the House is yet another promise that Government is keeping.

Of course, Opposition is playing on words that this should have been done in three months' time because it was promised, but I would say better late than never!

Madam Speaker, the rationale underpinning this Bill is to provide a legislative framework for the National Wage Consultative Council.

This Council will, independently, come up with recommendations on the National Minimum Wage.

Madam Speaker, a lot has been said about this Council. Why not accept the recommendation and put into practice? But then, I say that, ultimately, it is the responsibility of Government to see to it that the minimum wage that is going to be put in practice does not cause harm to small enterprises and businesses because otherwise what will happen, if we are to tie our hands with the recommendation of the Council, the Council may be influenced by irresponsible persons as there are many in the Trade Union Movement. They don't care about what happens to the economy, they don't care about what happens, they think of their own prestige and they want to have their way. Well, we cannot accept that and we must make sure that the minimum wage, that we, as a Government, will ultimately come with, does not cause that sort of harm. Because, otherwise, what will happen? Many jobs will be lost, many of these small enterprises, businesses will be closed down and obviously the Opposition will enjoy.

(Interruptions)

They will clap their hands! They will clap their hands! They will say: ‘look, instead of creating jobs, losing jobs, unemployment is increasing.’

(Interruptions)

Well, they are already doing it. They are using that sort of language and they are murmuring ‘no’. Well, we know them too much!

A National Minimum Wage will provide as much support as possible to the wages of the low paid without damaging their employment prospects by setting it too high.

The National Minimum Wage sets a wage floor below which pay cannot fall, ensuring protection for low-paid workers. The National Minimum Wage policy is meant to ensure employees can meet their basic needs and create the necessary environment for industries to move up their value chain by increasing the productivity of their employees through the use of technology and other innovations.

Government is fully alive to the fact that a National Minimum Wage should only be implemented after consultation with our social partners, namely the employees’ organisations and employers’ organisations, and this will be done by the Consultative Council.

The National Wage Consultative Council will be entrusted with the delicate task to come up with a ‘win-win’ solution for both employers and employees.

For those who challenge the introduction of the concept of the National Minimum Wage in Mauritius, I hasten to say that Government has not decided to come up with such a policy decision lightly.

A finding of the Global Labour University (Working Paper No 11-March 2011, entitled “Principles of Minimum Wage Policy-Economics, Institutions and Recommendations” by Herr and Kazandziska on the impact of minimum wages reads as follows, I quote -

“One very positive effect of minimum wages is that they change the wage structure in such a way that a more equal income distribution is reached. Minimum wage policy thus contributes to poverty reduction. To illustrate this: 12.5 per cent of the employees in Brazil receive the minimum wage and it has been found that the aggressive policy in Brazil during the past 8 years has had a strong effect on the compression of the wage structure.

In some cases we can observe that minimum wages have even had a positive employment effect. The argument is based on the fact that low-wage earners have a higher propensity to consume than richer households and thus higher minimum wages increase aggregate demand and output.

Furthermore, taking into consideration that women have a large share in the low-wage sector increasing minimum wages also has a positive gender equality effect.”

I wish also to highlight that an academic study by the University of Witwatersrand, South Africa, on the impact of the National Minimum Wage in South Africa has come up, *inter alia*, with the following key findings pertaining to the introduction of a National Minimum Wage in South Africa -

- “(a) expert statistical modelling commissioned by Wits University’s National Minimum Wage Research Initiative reveals that a national minimum wage in South Africa would considerably reduce poverty and inequality while spurring economic growth, without significant adverse effects;
- (b) by boosting wages, a National Minimum Wage increases spending thereby inducing higher output in the economy. GDP growth increases by an additional 0.5% per year for higher levels of a National Minimum Wage. A National Minimum Wage provides a considerable boost to incomes, consumption, and output. Total employment expands too;
- (c) higher wages mean a higher quality of employment in the economy. This occurs in two ways: employment shifts within the economy and workers earn a fairer wage;
- (d) a National Minimum Wage is an effective tool to decrease inequality and poverty, and
- (e) a National Minimum Wage helps to establish the conditions for sustained higher economic growth over the long run.

It should be used in conjunction with complementary policies to increase productivity and industrial diversification. International experience indicates

the potential for complementary policies to leverage higher wages to more strongly increase productivity and expand employment and industrial diversification.”

Madam Speaker, let me emphasise that introducing the National Minimum Wage in Mauritius is one of the necessary stepping stones which will enable Mauritius to become a high-income economy by 2030.

In order for Mauritius to become a high-income nation with inclusiveness, wages at the bottom have to be lifted up. In addition, businesses have to transform by moving up the value chain by investing in higher technology to increase labour productivity as well as to reduce the nation’s dependence on unskilled foreign labour.

This Government wants to ensure that growth which is achieved by the country is inclusive and that none of our citizens are left behind whilst our country is on course to achieving meaningful progress.

The minimum wage initiative is seen as one of the policy instruments to ensure inclusiveness by transforming the economy from a middle-income to a high-income by the year 2030.

Madam Speaker, allow me to address the House on two specific provisions of the Bill which illustrate how my Government will leave no stone unturned to ensure that the recommendations of the National Wage Consultative Council on the Minimum Wage are implemented by both the public and private sectors.

Clause 9(1) of the Bill will ensure that the Pay Research Bureau –

“shall take such administrative measures as may be necessary to implement the national minimum wage and make any salary adjustment, where necessary, to address any problem of relativity distortion that may arise on the introduction of the minimum wage in the public sector.”

Clause 25 (1) of the Bill repeals and replaces Section 94 of the Employment Relations Act to empower the Minister of Labour, Industrial Relations, Employment and Training to make regulations to effect payment of additional remuneration and national minimum wage.

This is a guarantee for employees of the private sector when the national minimum wage is introduced.

Madam Speaker, the introduction of a national minimum wage policy will surely require employers to revisit their present business model and wage structure in their establishments.

Government recognises that some employers may face challenges as they adjust to the national minimum wage. However, the ultimate benefit to the country can by far outweigh short term difficulties.

If really we care for those at the bottom of the social ladder, we need to recognize that the national minimum wage policy represents a step in the right direction for Mauritius as we join the ranks of some 150 nations where minimum wages policies are already in place.

Madam Speaker, following certain criticisms that have been made against the Bill, I hasten to reassure that this Government is committed to tripartism and dialogue among social partners. It is in this spirit that several amendments will be proposed to the Bill at Committee Stage.

After trade unions made representations, we have agreed to the proposal to delete the clause regarding young workers and to replace it by a clause for a lower rate for trainees.

Madam Speaker, trade unionists know that I have always welcomed constructive proposals. We are committed to freedom of speech and opinion which is a pillar of our Constitution. In introducing a clause of confidentiality in the Bill, we wanted to create the best conditions for the Council to deliberate and decide without external pressure or influence.

However, we equally believe that unions must be able to discuss minimum wage issues without fear with their members. We have, accordingly, agreed to delete that clause on confidentiality.

Madam Speaker, the yearly tripartite meeting to determine salary compensation for the rise in cost of living dates back to 1977. This tradition, which is now nearly 40 years old, is so rooted in our labour and union culture that replacing it appears to create some discomfort to the labour movement. We are conscious of that and, accordingly, we have agreed to bring an amendment so that present arrangements regarding yearly cost of living allowance are maintained.

Madam Speaker, my appeal to both employers and employees is to assume their responsibilities as all of us will be judged by future generations.

We shall go down in history on those who dared, against all odds, to bring a degree of comfort to our fellow citizens who are to-day in poverty as they draw very, very low wages.

I shall end by quoting Amy Lyman, Co-Founder and Chair of the Board of Directors of 'Great Place to Work Institute', a global research and management consultancy. I quote –

"Paying people a fair wage is a sign of respect and acknowledgement of the value of people's contributions to the business and society.

When people are treated fairly and with respect, they will provide unparalleled levels of support and commitment inside the business, and to clients and customers. Everyone is more successful when people are paid a fair minimum wage."

With these words, Madam Speaker, I congratulate the hon. Minister of Labour, Industrial Relations, Employment and Training for the good work done and for the patience and comprehension he has demonstrated in listening to the unions and trying to have the best consensus possible on this Bill.

Madam Speaker, I should like to comment – hon. Shakeel Mohamed is not here!

(Interruptions)

Madam Speaker: Order!

The Prime Minister: Well, the hon. Member has been saying that this minimum wage is not something new. We are not inventing. It had been in their agenda for long and that, in fact, we are not keeping our promise, as I said. Three months! We have been rather late after one year. Well, I must remind the hon. Member that he was Minister of Labour. If this was on the agenda, why did it not materialise? What prevented him to do so?

(Interruptions)

Well, ten years! No, but he was not Minister for ten years!

(Interruptions)

Madam Speaker: Don't interrupt the Rt. hon. Prime Minister, please!

(Interruptions)

Don't interrupt him, please!

The Prime Minister: Of course, it is easy to criticise, but when one is in power, one has a great responsibility not only towards one section of the population, but towards the people as a whole and towards the country. Therefore, we must know how to keep the necessary equilibrium so that we do not allow negative effects to affect our economy.

The hon. Leader of the Opposition, prior to General Elections of 1982, used to promise as far as 40% salary compensation, but as Minister of Finance, after the elections, he granted only...

(Interruptions)

8% salary compensation. Therefore, what I am trying to say is that when you are in a responsible position...

(Interruptions)

Madam Speaker: Order!

(Interruptions)

Order! Order, please!

Allow the Rt. hon. Prime Minister to proceed!

(Interruptions)

Order!

(Interruptions)

Order, I said!

(Interruptions)

Hon. Uteem!

The Prime Minister: As I was saying, when you are in a responsible position, you have to take a responsibility not only towards a section of the population, but towards the population and the country as a whole. I am not blaming the Leader of the

Opposition. When he was Minister of Finance, he took his responsibility. And so it is! What we are doing today, we want to take our responsibility towards the country as a whole. Of course, in the Opposition, we can say anything. We can criticise everything. As far as I remember, from the last election up to this day, I have never heard the Leader of the Opposition saying anything that has been done by this Government that is good for the country. He has always been criticising. Everything is wrong! Nothing is good! And, I am being called as a part-time Prime Minister. But as a part-time Prime Minister, what I am delivering?

(Interruptions)

Madam Speaker: Order!

(Interruptions)

Order, I said!

(Interruptions)

Order!

(Interruptions)

I am on my feet!

(Interruptions)

Hon. Bhagwan!

(Interruptions)

Hon. Bhagwan, I am on my feet!

(Interruptions)

Hon. Bhagwan, I am on my feet!

(Interruptions)

Hon. Bhagwan, can I call you to order!

(Interruptions)

I am calling you to order!

(Interruptions)

I am calling you to order!

(Interruptions)

Okay! I know what I am doing. I have called hon. Bhagwan to order, and everyone!

(Interruptions)

Can the House keep silent now!

The Prime Minister: Well, what I was pointing out is that...

(Interruptions)

Madam Speaker: Hon. Bhagwan, would you continue?

(Interruptions)

Please, allow the Rt. hon. Prime Minister to continue and don't interrupt him!

(Interruptions)

And don't interrupt him, please!

(Interruptions)

Hon. Bhagwan, I have called you to order several times!

(Interruptions)

Would you allow the Rt. hon. Prime Minister to continue?

(Interruptions)

He is silent now!

(Interruptions)

The Prime Minister: Quiet! Quiet, please!

(Interruptions)

Well, what I was trying to convey...

(Interruptions)

Madam Speaker: Hon. Mohamed, are you making remarks on the Chair?

(Interruptions)

I think I heard!

(Interruptions)

Hon. Leader of the Opposition, are you talking to me?

(Interruptions)

I am being fair!

(Interruptions)

I am! You cannot challenge this!

(Interruptions)

This also is another remark to the Chair!

(Interruptions)

You said I have to wear hearing aids. Did you say that? I am not prepared to accept that!

(Interruptions)

You said!

(Interruptions)

Did you address that to me?

(Interruptions)

Yes, but I heard you saying that I have to wear hearing aids.

(Interruptions)

Did you say that?

(Interruptions)

If you say no, you say no, otherwise, you have to withdraw it!

(Interruptions)

Otherwise, you have to withdraw it!

(Interruptions)

You don't know what you said!

(Interruptions)

Did you say you don't know what you said?

(Interruptions)

I close this now, but then, I will be very careful to what is being said in this House.

The Prime Minister: Please, keep quiet!

(Interruptions)

Madam Speaker: Please proceed, hon. Prime Minister!

(Interruptions)

The Prime Minister: What I was trying to convey...

(Interruptions)

Madam Speaker: Silence, I said!

The Prime Minister: ...is that when you are in the Opposition, it is easy to promise anything, but when you take responsibility - what I was trying to show is that when he was Minister of Finance, he acted very responsibly because he granted only 8% compensation when the rate of inflation was 13.5%.

(Interruptions)

Madam Speaker: Hon. Rutnah! Now, you are interrupting the Prime Minister.

The Prime Minister: I would also like to point out that when the hon. Leader of the Opposition was Minister of Finance - well, in fact, I have just been reminded because I have forgotten about this - he did not even chair the Tripartite Meeting. For him, that was not important. Today, he is trying, to say the least, to fool us all.

(Interruptions)

Madam Speaker, we have listened to all the criticisms that have been made against this Bill. Well, we appreciate their contribution, but then, I must say that we, as a responsible Government, are not going to bow down to things that may cause a lot of harm to this country. We know what we are doing, we know where we are going and the population will judge us finally.

Thank you, Madam Speaker.

Madam Speaker: I suspend the sitting for one and a half hours.

At 1.00 p.m. the sitting was suspended.

On resuming at 2.30 p.m. with Madam Speaker in the Chair.

Madam Speaker: Hon. Bhadain!

Mr Bhadain: Madam Speaker, I wish to raise a point of order under the Standing Orders, as hon. Bhagwan before lunch, whilst pointing his finger at me, has stated the unparliamentary words 'sucker' and '*mo pou touye twa*'. So, I consider this as being an extremely serious threat and I wish for him to withdraw these words.

Madam Speaker: Did you utter these words, hon. Bhagwan?

Mr Bhagwan: As far as the second part is concerned, Madam Speaker, if he means that I used the words '*mo pou touye twa*', I meant '*touye li politiquement*'.

And secondly, as far as the first part is concerned, Madam Speaker, I call a spade a spade.

(Interruptions)

Madam Speaker: But no! Hon. Bhagwan, if you did utter these words, please, kindly withdraw.

(Interruptions)

Order, please! Order! Order!

(Interruptions)

If you did utter these words, I asked you whether you uttered. If I understood well, you have said that the second part may be true. If it is true then kindly withdraw! There is nothing dishonourable in withdrawing!

(Interruptions)

Mr Bhagwan: I did not mean to hurt him. So, if he is hurt, I can remove it.

Madam Speaker: You withdraw?

(Interruptions)

Do you remove it or withdraw it? You withdraw!

(Interruptions)

Okay!

(Interruptions)

Yes, hon. Minister Callichurn!

(2.30 p.m.)

Mr Callichurn: Madam Speaker, at the outset, allow me to congratulate my leader, the Leader of MSM, hon. Pravind Kumar Jugnauth on his appointment as Minister of Finance and Economic Development.

(Interruptions)

Madam Speaker, I wish to convey my heartfelt thanks to the Rt. hon. Prime Minister and the Leader of my Party, hon. Pravind Jugnauth, Minister of Finance and Economic Development, for the trust they have put in me and for the unflinching support they have extended to me throughout the preparation of this Bill. I also wish to extend my thanks to all my colleagues who have been supportive all the way and to all those on both sides of the House who have intervened in the debates.

Madam Speaker, let me reiterate that the Bill aims at further consolidating workers' rights by paving the way for a decent wage and will, in no way, curtail any of their acquired rights. The introduction of the national minimum wage will, without any doubt, protect the workers and improve their living conditions. This will constitute a quantum leap forward for thousands of workers in this country.

Madam Speaker, I have listened carefully to all orators and I have noted with pleasure that there is a broad consensus for the introduction of the national minimum wage and on the mechanism that is being put in place. The Members of the Opposition have, however, raised some concerns on which I would like to comment.

Madam Speaker, contrary to what has been alleged by some Members on the other side of the House, I wish to reassure the House that all stakeholders have been consulted during the whole process leading to the presentation of the Bill to the National Assembly. In fact, consultations were held with all the confederations of trade unions in three distinct phases.

Firstly, four meetings were held before the presentation of the Bill to explain the rationale and the parameters of the National Wage Consultative Council and I have personally chaired one of those meetings. However, it was noted with concern during the meetings that the trade unions took position against the establishment of a Council and they insisted that the responsibility should rest solely on Government to

determine the national minimum wage. I also met the confederations separately after the First Reading of the Bill to discuss their concerns and their proposals. Finally, I met the representatives of all nine confederations to inform them of the amendments which I propose to bring to the Bill and I have also considered other proposals in a true spirit of social dialogue.

At this stage, Madam Speaker, I wish to extend my gratitude to the representatives of the trade unions who assisted to shape this legislation through their valuable contribution which led to the amendments which I proposed at the Second Reading. It is, therefore, not correct to say that there were no consultations and no discussions as contended by the Opposition.

Furthermore, Madam Speaker, in the setting up of the Council, I stood guided by the recommendations of the ILO Consultant, Mr Eyraud, and initiated a large debate with the stakeholders in order to reach a consensus. It was, indeed, difficult to reach a complete consensus on the mechanism to be put in place for the determination of the national minimum wage.

Madam Speaker, contradictory debates form part of the democratic process. The more so, when it comes to labour issues wherein the stakeholders do not always have the same opinion. I am, however, pleased to note that at the end of the consultative process and, after the Second Reading, the position of the trade unions has evolved and they are now supporting the Bill. And, I note with pleasure that they will participate in the deliberation of the Council. I have received letters from various confederations stating their intention to sit on the Council. This is also the stand of the employers. This is overwhelming proof that, as a Government, we have been able to win the hearts and minds of all stakeholders in the consultative process, contrary to what the Opposition is contending.

Madam Speaker, regarding the independence of the Council - it has neither been the intention of this Government to tie the hands of the Council nor to use the Council as a scapegoat not to guarantee the payment of a national minimum wage as mentioned by the Opposition. This is completely fallacious. In fact, Government means business and has the will and is committed to come up with the national minimum wage. Due care has been taken in the Bill to protect the Council from any political influence and interference in its functioning.

Madam Speaker, the Bill already provides that the Chairman shall not be actively involved in politics. Today I am going a step further, I am giving assurance to this House that the appointment of the Chairperson will be made through public advertisement.

(Interruptions)

Furthermore, Madam Speaker, the representatives of the Government, business and workers' organisation will be on the same level playing field in their representativeness. The hon. Leader of the Opposition mentioned the fact that there will be more representatives of the Government on the Board and, as such, it will have the upper hand in the decision-making process. I fail to understand how Government can be over represented when the Bill provides clearly that Government will be represented by the same number of members as employers and trade unions, that is, seven on each side.

Furthermore, the right to vote and to constitute a quorum will be restricted to these constituents only. The ex officio and co-opted members as provided in the Bill will provide advisory and technical support only.

Furthermore, Madam Speaker, the procedure adopted to appoint trade union representatives on the Board does not, in any manner, put into question the independence of the Council. As a matter of fact, I intend to appoint the representatives of the workers' organisation as it has always been the case that is, after due consultation with the most representative workers' organisation.

To that effect, workers' organisations have been redefined to mean a registered trade union, federation or confederation having no double representation. This proposal, Madam Speaker, has been made by the trade unions themselves, so as to ensure the proper representation is made. Let me reassure the House that I shall proceed with the appointment from the list submitted by the confederations themselves.

Madam Speaker, the hon. Members on the other side of the House were insisting that the Council be given the power to determine the national minimum wage. This approach is contrary to our institutional and consultative tradition since 1939. We are maintaining this institutional approach, which provides scope for extensive consultations among social partners in the determination of the national

minimum wage. Besides, we are going a step further. In case the Minister decides not to implement the recommendation of the Council, he will be required to explain his decision in this august Assembly, and his decision will be questioned obviously by the Opposition.

Coming to the predetermined parameters, as mentioned by hon. Uteem, we are not reinventing the wheel. Most countries which have introduced a national minimum wage have adopted the median wage methodology and have set generally the same criteria when deciding on the level of the national minimum wage to be fixed. Government has, therefore, considered it appropriate to set the parameters for the functioning of the Council and for the determination of the national minimum wage in the Bill, and that is with a view to facilitate discussions among the stakeholders in an orderly manner, with clear objectives.

Madam Speaker, there is still some confusion on part of the Opposition concerning the rationale of the national minimum wage. Let me reiterate that the primary objective of Government in introducing a national minimum wage is about alleviating poverty. In that respect, the median wage is the more appropriate instrument since it is this methodology which is commonly used at international level to measure the poverty line. It is, however, our ultimate objective to ensure a living wage to the workers of our country. This process, Madam Speaker, takes time. UK, which is a developed country, first started by introducing a national minimum wage based on a proportion of the median wage in 1999. It is only this year that they have shifted by adopting a living wage.

Madam Speaker, as regards the issue of young persons, the issue of discrimination in respect of a lower wage on the ground of age does not arise because the Employment Rights Act provides for a difference in treatment on the ground of age to achieve a legitimate aim, which is, in this case, to facilitate the integration of young persons in employment.

Moreover, Madam Speaker, the Equal Opportunity Act also provides under section 5 (a), and I quote –

“An employer may discriminate on ground of age where the offer of employment is limited to persons of a particular age.”

Furthermore, both the Employment Rights Act and the Occupational Safety and Health Act prohibit the employment of young persons on work, which, by its nature or the circumstances in which it is carried out, is likely to jeopardise the health, safety, physical, mental, moral or social development of the young persons. The Employment Rights Act also provides that an employer shall not employ a young person in an industrial undertaking between 10 p.m. and 5 a.m.

It is also to be noted that the Sugar Industry Agriculture Workers Remuneration Order Regulation and the Tea Industry Workers Remuneration Order Regulation already provide for the payment of a lower rate to a young person subject to limitations on assignment of work. It is also the practice at international level to provide for a lower rate for young persons, according to a general ILO survey. In 2014, on minimum wage system, in countries like Netherlands, Chile, Luxembourg, Malta, young persons are paid a lower rate compared to workers who have attained the age of majority.

Now, I turn to the funding of the Council, Madam Speaker. As regards the funding of the Council, I wish to reassure Members of the House that it will be funded by Government, and there should not be any doubt to that. However, provision has been made to empower the Council to seek financial assistance from international organisations such as the ILO. Therefore, the issue of the Council being funded, controlled or influenced by the private sector does not arise at all.

Madam Speaker, I would like to dispel another misunderstanding from the Opposition side concerning the NRB and the Remuneration Order Regulations. As I have already stated in my speech, the NRB will, in the first instance, continue to co-exist with the Council. However, I am in favour of an integrated wage system, as recommended by ILO consultant, Mr Eyraud, and in this perspective I intend to reform the NRB in the context of the review of the labour legislation, whereby its functions would be revisited. This does not mean that the Remuneration Order Regulations would be eliminated. The Remuneration Order Regulations would continue to exist under new auspices. For example, all the core conditions of employment in any economic sector would be harmonised and consolidated in the Employment Rights Act. The Remuneration Regulations will thus provide only for minimum wages and conditions specific to the sector of employment.

Madam Speaker, I have received representations from Business Mauritius to consider reviewing the national minimum wage every year and to remove the clause regarding the introduction of a master conversion table, to address the issue of wage relativity distortion in the private sector. Although the proposal to review the national minimum wage every year may be interesting, it would be difficult to put in place, for practical reason, at this stage. Since it is the first time that the national minimum wage will be set up, the Council would need time to gather experience, to master the intricacies underlying the operation and process of the whole system.

It is, therefore, more reasonable that the council be given the required time to carry out any study deemed appropriate on the labour market and the economic situation with a view to be able to make its recommendation in an informed manner. The increase, subsequent to the review after every five years, may be mitigated if wages are reviewed every year voluntarily by employers or through collective bargaining. The National Minimum Wage is also applicable to the public sector organisation. In view of the fact that the PRB review wages and conditions of employment every five years, it could not be practical to review a National Minimum Wage every year. It is to be noted that the objective of reviewing the National Minimum Wage every five years is to coordinate and synchronise the review of wages by the Council, the NRB and the PRB at the same interval.

However, I remain open to reconsider the proposal of Business Mauritius at a later stage in the light of the evolution of the work of the Council. Increasing wages of workers can also be done at the discretion of the employers. I, therefore, invite the employers to do so on a yearly basis and this can help them to address their concern and mitigate the impact of the review every five years.

Madam Speaker, it is obvious that the introduction of the National Minimum Wage will cause a wage relative distortion for some grades in both the private and public sector. For example, a worker reckoning lesser length of service may be drawing the same or higher wages than a worker in the same grade with longer length of service. Experience has shown us that we cannot rely exclusively on the market forces to adjust wages. This situation may give rise to an increasing number of labour disputes to the Commission which may be damaging to our traditional harmonious industrial relations. Conversely, the Master Conversion Table will not only protect

workers against any wage distortion in respect of their position, but will also create conditions for orderly working relationship.

Madam Speaker, I hope that I have been able to address all concerns of the Opposition and dispel at the same time any doubt on our good faith. I am confident that if we value our labour, then paying them a decent wage is the least we can do for them. This Government is committed to make dignity at work a reality. This is what this Bill is all about, Madam Speaker. It is about putting in place a mechanism for the determination of a National Minimum Wage that would neither threaten jobs nor the economy. I am convinced that the setting up of a National Wage Consultative Council is one of the most important policy initiatives since independence. It is, Madam Speaker, a stepping stone towards achieving our cherished code of introducing the National Minimum Wage. This Government is yet again keeping another of its promises made to the nation in 2014.

Before concluding, Madam Speaker, I would like to heartily thank the officers of my Ministry for their hard work and dedication in the preparation of this Bill, without forgetting the officers of the State Law Office who have been working on this project and, this morning itself, they have been made to rush, but fortunately, everything has been cleared now. I thank you, Madam Speaker, and I wish the future Council good luck in its work. Thank you.

Question put and agreed to.

Bill read a second time and committed.

COMMITTEE STAGE

(Madam Speaker in the Chair)

THE NATIONAL WAGE CONSULTATIVE COUNCIL BILL

(NO. VI of 2016)

Clause 1 (Short title)

Motion made and question proposed: "that the clause stand part of the Bill."

Mr Ganoo: Madam Chairperson, I would like to intervene on Clause 1. The hon. Minister said in his summing-up just now that he hopes all the concerns of the Opposition have been addressed, but there is one point which was raised and which he

did not answer or give any explanation, it is about the Title of the Bill itself. The Bill in Clause 1 is entitled the ‘National Wage Consultative Council Act 2016’ and we made the point that, since the question of additional remuneration has been removed from this Bill, as per the amendments proposed by the hon. Minister, therefore, this Bill is dealing with the minimum wage, whether it has escaped the attention of the hon. Minister, his Ministry or his officers, that this Bill should have been entitled, in fact, the ‘National Minimum Wage Consultative Council Bill’.

In view of the fact that the two Conventions - which were cited by the hon. Minister himself and by the Opposition - of 1928 and 1970, No. 26 of 1928 is called ‘The Minimum Wage Fixing Machinery Convention’ and the other one, No. 131 of 1970 is called the ‘Minimum Wage Fixing Convention’, the words ‘Minimum Wage’ are in both Conventions. So, I will very humbly appeal to the hon. Minister to consider the advisability of adding the words ‘National Minimum Wage Consultative Council’ to the Title of the Bill.

Mr Callichurn: Madam Chairperson, I think it is clear that the objective of the council is to make recommendation on the National Minimum Wage. So, I don’t see any reason why I should bring amendment to the Title of the Bill.

On question put, amendment defeated.

Clause 1 ordered to stand part of the Bill.

Clause 2 (Interpretation)

Motion made and question proposed: “that the clause stand part of the Bill.”

Mr Callichurn: Madam Chairperson, I move for the following amendments.

“In clause 2 –

- (i) by deleting the definition of “trade union”, “young person” and “young worker”;
- (ii) by inserting, in the appropriate alphabetical order, the following new definitions –
 - “worker’s organisation” means a registered trade union, federation or confederation, of workers, having no double representation”;

“young person” means a person who is over the age of 16 but under the age of 18.”

Amendments agreed to.

Clause 2, as amended, ordered to stand part of the Bill.

Clauses 3 to 4 ordered to stand part of the Bill.

Clause 5 (Objects of Council)

Motion made and question proposed: “that the clause stand part of the Bill.”

Mr Callichurn: Madam Chairperson, I move for the following amendments.

“In clause 5 –

(i) by deleting paragraph (a) and replacing it by the following paragraph –

(a) be responsible for the evaluation of the effect of the introduction of a national minimum wage, particularly on pay structures and pay differentials, wealth and income distribution, wage ratio, employment, inflation, competitiveness, the cost of doing business, low paying sectors, small firms, employment of foreign workers and groups of workers, including women, gender discrimination, young persons and persons with disabilities;

(ii) in paragraph (b) –

(A) by deleting subparagraph (i) and replacing it by the following subparagraph –

(i) subject to subparagraphs (iii) and (iv), for the introduction of a national minimum wage calculated on an hourly rate for part-time workers and a monthly rate for full-time workers equivalent to a

proportion of the domestic median wage of the preceding year for the lowest paid workers;

(B) by inserting, after subparagraph (i), the following new subparagraph, the existing subparagraphs (ii) to (vi) being renumbered as (iii) to (vii) –

(ii) for the computation of a national minimum wage calculated on an hourly rate for part-time workers and a monthly rate for full-time workers without altering the actual working hours regime and the mode of calculation of wages or salary of any worker;

(C) by deleting the newly renumbered subparagraph (iv) and replacing it by the following subparagraph –

(iv) on a lower rate of national minimum wage for workers on accredited training, apprenticeship or probation having no corresponding job experience, skills and competencies, relevant accredited vocational or technical qualification, relevant and recognised proficiency certificate,

diploma, degree or other professional qualifications in the field in which he is employed or where the job requires no qualification, skill or experience;

- (iii) by deleting paragraph (c), the words “; and’ at the end of paragraph (b)(vii) being deleted and replaced by a full stop;”

Amendments agreed to.

Clause 5, as amended, ordered to stand part of the Bill.

Clause 6 (Functions of Council)

Motion made and question proposed: “that the clause stand part of the Bill.”

Mr Callichurn: Madam Chairperson, I move for the following amendment.

“In clause 6 –

- (i) in subclause (1), by deleting paragraph (h), paragraphs (i) and (j) being relettered as paragraphs (h) and (i);
- (ii) in subclause (2), by inserting, after the word “recommendation”, the words “on the national minimum wage;”

Mr Ganoo: Madam Chairperson, the hon. Minister again in his speech explained to the House that he has been approached by Business Mauritius for the advisability of reviewing the National Minimum Wage every year and he gave the explanations as regards that request that has been made to him. Now, in the law, as the hon. Minister rightly pointed out himself, the National Minimum Wage will be reviewed every five years. Can I ask him whether he shouldn’t consider the possibility of reducing that period of five years, because five years is a long period?

Once the Council will be constituted, it has one year, 12 months, as we know to recommend the National Minimum Wage and after that one year, the National Minimum Wage will be reviewed after five years. So, since in the case of the PRB, the review is now done every three years, could not the hon. ...

(Interruptions)

Okay. Can the hon. Minister, therefore, consider the possibility of reducing that period of five years to three years?

Madam Chairperson: Hon. Minister!

Mr Callichurn: Well, to correct the hon. Member, the review of the Pay Research Bureau is done every five years and not three as he stated. Any suggestion ultimately can be considered, but it is at an early stage. So, we will have to give the Council time to work and then, we will see after.

Amendments agreed to.

Clause 6, as amended, ordered to stand part of the Bill.

Clause 7 ordered to stand part of the Bill.

Clause 8 (Determination of national minimum wage and additional remuneration)

Motion made and question proposed: "that the clause stand part of the Bill."

Mr Callichurn: Madam Chairperson, I move for the following amendment in clause 8 -

"In the heading, by deleting the words "and additional remuneration";"

Amendment agreed to.

Clause 8, as amended, ordered to stand part of the Bill.

Clause 9 ordered to stand part of the Bill.

Clause 10 (The Board)

Motion made and question proposed: "that the clause stand part of the Bill."

Mr Callichurn: I move for the following amendments in clause 10 -

"(i) In subclause (1), by deleting paragraph (m) and replacing it by the following paragraph -

(m) 4 members of any worker's organisation representing workers employed in the private sector and 3 members of any

worker's organisation representing workers employed in the public sector, to be appointed by the Minister after consultation with the most representative worker's organisation;

(ii) by adding the following new subclause -

(4) The Chairperson shall not be actively engaged in politics.”

Mr Ganoo: Madam Chairperson, can I make another intervention with regard to clause 10, it is 10 (m), I mean the section which is being proposed to be amended by the hon. Minister and on which the Opposition has made a lot of comments. We have heard the hon. Minister giving further explanations in his summing up as to who will appoint the representatives of the workers' organisation in this Council.

In spite of what the hon. Minister has indicated to the House, I should insist that this is the first piece of legislation in the labour relation field where representatives of workers' organisations are being appointed by the Minister, true be it after consultation with the most representative workers' organisation.

In the spirit of the ILO Conventions, even Mr Eyraud in his Report which we are all citing since the beginning of the debates in this House, when Mr Eyraud proposed the Council, at the end of his Report, Mr Eyraud suggested that it should be - in his proposal he said - four Trade Union representatives chosen by the Trade Unions. I have the Report with me and I am sure the hon. Minister also has. Mr Eyraud, himself, suggested that the Trade Union representatives be chosen by the Trade Unions.

So, this is why I appeal, again, to the hon. Minister to consider the amendment that the seven members should be representatives of the seven most representative trade union confederations or workers' organisation and designated independently by those workers' organisations.

The hon. Minister has told us that all the confederations have written to him and told him that they are going to...

(Interruptions)

Not all. So, you are being more precise now, not all. So, why should we have to open the door to exclude a few of the confederations? So, in order to get everybody on board, I think that the hon. Minister should seriously have reflected on the possibility of allowing the Trade Unions, the workers' organisations or the confederations, themselves, to choose their representatives as has been suggested by Mr Eyraud, himself, whose Report has been abundantly cited by everybody during the debates in this House.

Mr Callichurn: Let me reassure the House that I shall proceed with the appointment of the workers' organisation from the list that they will submit themselves.

Amendments agreed to.

Clause 10, as amended, ordered to stand part of the Bill.

Clause 11 (Meetings of Board)

Motion made and question proposed: "that the clause stand part of the Bill."

Mr Callichurn: I move for the following amendments in clause 11 -

"In subclause (4), by adding the following new paragraphs -

(c) The Board may remove from office any member who is absent, without leave of the Board, from 3 consecutive meetings of the Board.

(d) Where a vacancy occurs in the membership of the Board, the vacancy shall be filled by a person appointed by the Minister, who shall hold office for the remainder of the term of office of that member."

Amendments agreed to.

Clause 11, as amended, ordered to stand part of the Bill.

Clauses 12 to 17 ordered to stand part of the Bill.

Clause 18 (Confidentiality)

Motion made and question proposed: "that the clause stand part of the Bill."

Mr Callichurn: I move for the following amendments in clause 18 -

“By deleting clause 18, clauses 19 to 22 being renumbered as clauses 18 to 21;”

Amendments agreed to.

Clauses 19 to 22 renumbered 18 to 21 accordingly.

Clauses 18 to 21 ordered to stand part of the Bill.

Clause 22 (Offences)

Motion made and question proposed: “that the clause stand part of the Bill”

Mr Callichurn: I move for the following amendment in the newly renumbered clause 22 –

“In subclause (3), by deleting the words “or additional remuneration” wherever they appear.”

Amendment agreed to.

Clause 22, as amended, ordered to stand part of the Bill.

Clauses 23 to 25 ordered to stand part of the Bill.

The title and enacting clause were agreed to.

The Bill, as amended, was agreed to.

On the Assembly resuming with Madam Speaker in the Chair, Madam Speaker reported accordingly.

Third Reading

On motion made and seconded, the National Wage Consultative Council Bill (No. VI of 2016) was read a third time and passed.

ADJOURNMENT

The Prime Minister: Madam Speaker, I beg to move that this Assembly do now adjourn to Tuesday 31 May 2016 at 11.30 a.m.

The Deputy Prime Minister rose and seconded.

Madam Speaker: The House stands adjourned.

MATTER RAISED

(3.10 p.m.)

HANDICAPPED YOUTH – LAYING OFF

Mr S. Mohamed (First Member for Port Louis Maritime & Port Louis East): I would be brief since I know everyone is in a rush to get to what they have to do.

My point is addressed to the hon. Deputy Prime Minister, Minister of Tourism and External Communications.

He will recall, Madam Speaker, that I had raised a point here concerning a young man from my Constituency who is deaf and whom the hon. Deputy Prime Minister had promised he would look into the matter because he was a handicapped person who had lost his job and had not been re-instated in spite of the promises made by the hon. Deputy Prime Minister.

I am sure the hon. Deputy Prime Minister has made arrangements for this to be done and I am sure that his intentions are good, but unfortunately, the results have not followed. So, I will be very grateful if this could be looked into again. That is the last call. I have been called by the parents. The mother, this morning, in tears, asking me to address again for the hon. Deputy Prime Minister and Government to keep their promise and to try to see to it, not only in words, but in action that when an handicapped losses his job for no reason whatsoever, that, at least, redress be brought immediately. Many months have passed by, if I am not mistaken, more than a year now. All us, four hon. Members for Constituency No. 3 are well aware of this issue, but it is important that I raise that matter as soon as possible and I am sure it will be the last time.

Thank you

(3.11 p.m.)

The Deputy Prime Minister, Minister of Tourism and External Communication (Mr X. L. Duval): Madam Speaker, I think I had met the gentleman concerned and I had undertaken to raise the issue with my colleague from the Ministry of Social Security, National Solidarity and Reform Institutions. I have

done that and I know the hon. Minister looked at the case. I don't know what happened since then, but I know that the hon. Minister has considered the matter.

Thank you.

At 3.13 p.m., the Assembly was, on its rising, adjourned to Tuesday 31 May 2016 at 11.30 a.m.